IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 26.08.2019

CORAM

THE HONOURABLE MR.JUSTICE T.S.SIVAGNANAM
and
THE HONOURABLE MRS.JUSTICE V.BHAVANI SUBBAROYAN

Tax Case Appeal No.773 of 2014

The Commissioner of Income tax,
Chennai. .. Appellant/Appellant

-vs-

M/s.RR Donnelley India Outsource Pvt Ltd.,
(Formerly Astron Document Management Pvt. Ltd.)
43A, 1st Main Road, RA Puram,
Chennai-600 028. .. Respondent/Respondent

Prayer: APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 14.10.2011, made in I.T.A.No.2145/Mds/2010 on the file of the Income Tax Appellate Tribunal 'B' Bench, Chennai for the assessment year 2005-06.

and against the order of the Commissioner of Income Tax (A)-V, Chennai -34, dated 27.07.2010, made in ITA.No. 355/2008-09 for the Assessment year 2005-2006 and against the order of the Additional Commissioner of Income Tax Company Range -I, Chennai-34 dated 24.12.2008, made PAN/GIR.No.AABCH1990A/AX6-675 for the assessment year 2005-2006.

For Appellant : Mr.T.Ravikumar, SSC

For Respondent : Ms.Sree Lakshmi Valli,
For Mr.N.Muthukumar

JUDGMENT
(Delivered by T.S.Sivagnanam, J.)

This appeal filed by the Revenue under Section 260A of the Income-tax Act, 1961 is directed against the order dated 14.10.2011, made in I.T.A.No.2145/Mds/2010 on the file of the Income Tax Appellate Tribunal 'B' Bench, Chennai for the assessment year 2005-06.

2.The above appeal was admitted on 29.10.2014, on the following substantial questions of law:-

"(i) Whether on the facts and in the circumstances of the case the Income Tax Appellate Tribunal was right in holding that telecommunication expenses and foreign currency expenses which is excluded from the export turnover but not from the total turnover is to be allowed while computing deduction under Section 10B of the Act?

(ii) Whether on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in holding that whatever was excluded from the export turnover has to be excluded from the total turnover also for the purpose of working out deduction under Section 10B?"

3.Heard Mr.T.Ravikumar, learned Senior Standing Counsel for the appellant - and Ms.Sree Lakshmi Valli, learned counsel for Mr.N.Muthukumar, learned counsel for the respondent.

4. The learned Senior Standing Counsel for the appellant submits that the above appeal is not pursued by the Revenue on account of the low tax effect in terms of Circular No.17/2019, dated 08.08.2019 issued by the Central Board of Direct Taxes. By the said Circular, the monetary limit for filing or pursuing an appeal before the High Court has been increased to Rs.1 Crore. It is further submitted that the tax effect in this case is less than the threshold limit.

5. In the light of the said submissions, the above tax case appeal is dismissed on account of the low tax effect. The substantial questions of law framed are left open. In the event the tax effect is above the threshold limit fixed in the said circular, liberty is granted to the Revenue to make a mention to this Court to restore the appeal to be heard and decided on merits. No costs.

Sd/-

Assistant Registrar (CS-IV)

//True Copy//

Sub Assistant Registrar

abr

To

1.The Income Tax Appellate Tribunal B Bench, Chennai.

2.The Commissioner of Income Tax (A)-V, Chennai-34.

3.The Additional Commissioner of Income Tax,
Company Range - I, Chennai-34.

+1cc to Mr.T.Ravi Kumar, Advocate, S.R.No. 72365
+1cc to Mr.Sree lakshmi Valli, Advocate, S.R.No. 73053

T.C.A.No.773 of 2014

MR(CO)
GN(21/11/2019)